

Amber Capital UK LLP

Registered Number. 0C322586

Members' Report and Financial Statements

For the year ended 31 December 2009

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Amber Capital UK LLP

Registered Number 0C322586

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Amber Capital UK LLP

Registered Number 0C322586

Administrative information

Members

Amber Capital UK Holdings Ltd
Gilles Fretigne

Registered office

Third Floor
10 Brook Street
London
W1S 1BG

Auditors

PricewaterhouseCoopers LLP
Hay's Galleria
1 Hay's Lane
London
SE1 2RD

Bankers

The Royal Bank of Scotland
62/63 Threadneedle Street
London
EC2R 8LA

Solicitors

Simmons & Simmons
CityPoint
One Ropemaker Street
London
EC2Y 9SS

Amber Capital UK LLP

Registered Number 0C322586

Members' report

For the year ended 31 December 2009

The members present their report and the audited financial statements for the year ended 31 December 2009

Incorporation and commencement

Amber Capital UK LLP (the 'LLP') was incorporated on 22 September 2006. The LLP was authorised by the Financial Services Authority to conduct investment business on 13 July 2007.

Principal activity

The principal activities of the LLP in the period under review were providing investment advisory and administrative services to Amber Capital LP (an entity incorporated in the US). The members do not see any change in the nature of this activity going forward.

Results and allocation to members

The results for the year are a profit of £429,255 shown in the profit and loss account on page 9. All profits have been shared amongst the members as governed by the Partnership Agreement dated 3 July 2007.

Financial Position

The LLP's balance sheet as detailed on page 10 shows a satisfactory position. Members' other interests amount to £1,000,000.

Review of the business

The results for the year and the financial position at the year end were considered satisfactory by the members. The members do not anticipate any significant change in the nature of these activities going forward.

Policy for members' drawings, subscriptions and repayments of members' capital

Policies for members' drawings, subscriptions and repayment of members' capital are governed by the Partnership Agreement dated 3 July 2007. In summary, the capital contributions made by each existing member were set out in the Partnership Agreement and the Corporate Member determines the capital contribution to be paid by all future Further Members. These capital contributions are only repaid at the discretion of the Corporate Member when a partner's membership of the LLP ceases. The Corporate Member also has sole discretion to determine and vary the level of each member's drawings.

Members

The members of the LLP during the period and up to the date of this report were as follows:

Amber Capital UK Holdings Ltd*
Gilles Fretigne*

Amber Capital UK Holdings Ltd, the Corporate Member, is the controlling member.

* Designated members

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Members' report (continued)

For the year ended 31 December 2009

Statement of members' responsibilities

The members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations") requires the members to prepare financial statements for each financial year. Under that law the members have prepared the partnership financial statements in accordance with United Kingdom Generally Accepted

Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law as applied to limited liability partnerships the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the partnership and of the profit or loss of the partnership for that period. In preparing these financial statements, the members are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the partnership and group will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by the Regulations. They are also responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

In the case of each member in office at the date the members' report is approved confirms that

(a) so far as the member is aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) he has taken all the steps that he ought to have taken as a member in order to make himself aware of any relevant audit information and to establish that the partnership's auditors are aware of that information.

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Members' report (continued)


For the year ended 31 December 2009

Auditors

PricewaterhouseCoopers LLP were appointed as independent auditors. A resolution concerning their re-appointment will be proposed at the members' meeting to approve these financial statements.

On behalf of the members

Gilles Frenge
18 March 2010



Amber Capital UK LLP

Registered Number 0C322586

Independent auditors' report to the members of Amber Capital UK LLP

We have audited the financial statements of Amber Capital UK LLP ("the LLP") for the year ended 31 December 2009 which comprise the Profit and Loss account, the Balance Sheet and related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of members and auditors

The members' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of members' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the members of the partnership in accordance with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, have been prepared in accordance with the Companies Act 2006, as applied to limited liability partnerships and give a true and fair view.

We also report to you if, in our opinion, the limited liability partnership has not kept adequate accounting records, or if we have not received all the information and explanations we require for our audit. We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Member's report and all the other information in the contents page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the limited liability partnership's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Amber Capital UK LLP

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Independent auditors' report
to the members of Amber Capital UK LLP (continued)

Opinion

In our opinion

- the financial statements give a true and fair view of the state of the LLP's affairs as at 31 December 2009 and of its profit for the year then ended, and
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- the financial statements have been prepared in accordance with the Companies Act 2006, as applied to limited liability partnerships



Jeremy Dawson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP,
Chartered Accountants and Statutory Auditors
London
18 March 2010

Amber Capital UK LLP

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Profit and loss account

For the year ended 31 December 2009

		2009	2008
	Notes	£	£
Turnover	1	1,956,445	2,398,075
Administrative expenses		(1,560,569)	(1,941,774)
Operating profit	2	<u>395,876</u>	<u>456,301</u>
Interest receivable and similar income		<u>33,379</u>	<u>65,467</u>
Profit for the financial period before members remuneration and profit share available for discretionary division among members	6	<u>429,255</u>	<u>521,768</u>

All activities derive from continuing operations

There is no difference between the profit on ordinary activities for the period and its historical cost equivalent

The limited liability partnership has no recognised gains and losses other than the gain shown above and therefore no separate statement of total recognised gains and losses has been presented

Notes 1-8 form an integral part of these financial statements

Amber Capital UK LLP

Registered Number 0C322586

Balance Sheet

As at 31 December 2009

	Notes	2009 £	2008 £
Current assets			
Debtors	4	395,576	94,231
Cash at bank and in hand		<u>2,237,993</u>	<u>1,920,165</u>
		2,633,569	2,014,396
 Creditors amounts falling due within one year	 5	 (10,639)	 (38,774)
 Net current assets		 <u>2,622,930</u>	 <u>1,975,622</u>
 Net assets attributable to members		 <u>2,622,930</u>	 <u>1,975,622</u>
 Represented by			
 Loans and other debts due to members within one year	 6	 1,622,930	 975,622
 Members' other interests			
Members' Capital classified as equity under FRS 25	6	1,000,000	1,000,000
Other reserves	6	-	-
		<u>1,000,000</u>	<u>1,000,000</u>
		<u>2,622,930</u>	<u>1,975,622</u>
 Memorandum of members' total interests			
 Members' other interests	6	1,000,000	1,000,000
Loans to and other amounts due from members	6	<u>1,622,930</u>	<u>975,622</u>
Members' total interests	6	<u>2,622,930</u>	<u>1,975,622</u>

Notes 1-8 form an integral part of these financial statements

The financial statements were approved by the members on 18 March 2010 and were signed on their behalf by

Gilles Fretigne

Amber Capital UK LLP

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Notes to the financial statements for the year ended 31 December 2009

1. Accounting policies

Basis of accounting

The financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with applicable accounting standards and the requirements of the Statement of Recommended Practice 'Accounting for Limited Liability Partnerships' issued March 2006

Cash Flow Statement

Amber Capital UK Holdings Limited controls 99% of the voting rights in the LLP. The LLP is included in the consolidated financial statements of Amber Capital UK Holdings Limited which are publicly available. Consequently, the LLP has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1.

Turnover and revenue recognition

Turnover, which is stated net of any value added tax, represents sub-advisory fees arising from continuing activities in the United Kingdom and is recognised on an accruals basis.

Expenses

Expenses incurred have been recognised on an accruals basis.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

Taxation

No provision has been made for taxation in the financial statements. Each member is exclusively liable for any tax liabilities arising out of his/her interest in the LLP. Tax will be assessed on the individual members and not on the LLP.

2. Operating profit

Operating profit is stated after charging

	2009 £	2008 £
Auditors remuneration		
Fee payable to auditor for audit of financial statements	<u>8,000</u>	<u>17,000</u>
Fee payable to auditor for tax services	<u>4,000</u>	<u>7,800</u>
Advisory Fee paid to Amber Capital UK Holdings Limited	<u>1,511,395</u>	<u>1,854,507</u>

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Notes to the financial statements (continued) for the year ended 31 December 2009

3 Members' remuneration

A member's share in the profit or loss for the year is accounted for as an allocation of profits or losses. Any unallocated profits and losses are distributed to members in the following accounting year.

Amounts due to members in respect of equity participation rights, following a discretionary division of profits, are debited to equity and credited to member's current accounts in the period when the allocation occurs. Unallocated profits and losses are included within 'other reserves' and are included in equity. Any drawings paid in respect of those profits are included within debtors.

	2009 £	2008 £
Profit for the financial year before members' remuneration and profit share and available for division among members	<u>429,255</u>	<u>521,768</u>
Profit for the financial year available for discretionary division among members	<u>429,255</u>	<u>521,768</u>
Profit in respect of the highest paid member during the year	<u>282,402</u>	<u>373,990</u>

The average monthly number of members in the year was 2 (2008: 2)

4 Debtors: amounts falling due within one year

	2009 £	2008 £
VAT receivable	149	987
Prepayments	2,981	1,954
Amount receivable from Amber Capital LP	385,076	91,290
Amount receivable from Amber Capital Italia SGR SpA	<u>7,369</u>	<u>-</u>
	<u>395,575</u>	<u>94,231</u>

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Notes to the financial statements (continued) for the year ended 31 December 2009

5 Creditors

	2009 £	2008 £
Trade creditors	1,139	8,079
Accruals	9,500	30,695
	<u>10,639</u>	<u>38,774</u>

6 Reconciliation of movements in members' other and members' total interests

	Members' capital (classified as equity)	Other reserves	Total	Loans and other debts due to members less any amounts due from members	Members' total interests
	£	£	£	£	£
Members' interests as at 01 January 2009	1,000,000	-	1,000,000	975,622	1,975,622
Profit for the year available for discretionary division among members	-	429,255	429,255	-	429,255
Members' interests after profit for the year	1,000,000	429,255	1,429,255	975,622	2,404,877
Drawings	-	-	-	(147,778)	(147,778)
Appropriations of profit	-	(429,255)	(429,255)	429,255	-
Other movements	-	-	-	365,831	365,831
Members' interests as at 31 December 2009	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>	<u>1,622,930</u>	<u>2,622,930</u>

7 Parent undertaking and ultimate controlling party

The LLP's immediate parent undertaking is Amber Capital UK Holdings Limited, which has included the LLP in its consolidated financial statements, copies of which are available from its registered office at Third Floor, 10 Brook Street, London, W1S 1BG. The ultimate controlling party is Joseph Oughourlian.

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Notes to the financial statements (continued)

for the year ended 31 December 2009

8. Related Party Transactions

During the year, service fee of £1,511,395 was charged from Amber Capital UK Holdings Limited. The amount due to Amber Capital UK Holdings at 31 December 2009 was £1,620,076, including loans and other debts due to the member.

The LLP charged research service fees of £1,949,076 to Amber Capital LP and Execution service fees of £7,369 to Amber Capital Italia SGR SpA. As at 31 December 2009 the balances owed to the LLP by Amber Capital LP and Amber Capital Italia SGR SpA were £385,076 and £7,369 respectively.

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Additional Information – Pillar III disclosure (unaudited)

The following unaudited additional information does not form part of the financial statements

AMBER CAPITAL UK LLP PILLAR 3 RISK DISCLOSURE STATEMENT

Introduction

Amber Capital UK LLP (the "Firm") is required by the Financial Services Authority ("FSA") to disclose information relating to the capital it holds and each material category of risk it faces in order to assist users of its accounts and to encourage market discipline. These disclosures aim to provide information on the risk exposures faced by the Firm and the risk assessment process it has in place to monitor these. Known as "Pillar 3" disclosures, they are required to be made under Chapter 11 of the FSA's Prudential Sourcebook for Banks, Building Societies and Investment Firms ("BIPRU") and are seen as complementary to the Firm's minimum capital requirement calculation ("Pillar 1") and the internal review of its capital adequacy ("Pillar 2").

The Firm is a limited liability partnership incorporated in England. The Firm is 99% owned by a corporate member, Amber Capital UK Holdings Ltd ("ACUK Holdings"), and 1% owned by its Managing Member, Gilles Fretigne. ACUK Holdings is a private limited company incorporated in England. The Firm is controlled by ACUK Holdings. The Directors of ACUK Holdings are Mr Fretigne and Michel Brogard, also a Managing Partner of its parent entity, Amber Capital LP ("ACLP").

ACUK Holdings is 100% owned by ACLP, a limited partnership organized under the laws of the State of Delaware, U.S.A. ACLP is the Investment Manager of several collective investment vehicles (the "Funds") and is responsible for all trading and other investment decisions for the Funds. ACLP is registered with the U.S. Securities and Exchange Commission as an investment adviser under the Investment Advisers Act of 1940, as amended.

The Firm was established to provide market research, marketing and trade execution services to ACLP, its ultimate parent company and main client.

Risk management

The Firm has established a risk management process in order to ensure that it has effective systems and controls in place to identify, monitor and manage risks arising in the business. The risk management process is overseen by Gilles Fretigne, the Firm's Managing Member, with the Directors of the Firm's parent entity, Amber Capital UK Holdings Ltd, taking overall responsibility for this process. A formal update on operational matters is provided to the Directors on a quarterly basis. Management accounts demonstrating continued adequacy of the Firm's regulatory capital are also provided on a quarterly basis.

Appropriate action is taken where risks are identified which fall outside of the Firm's risk tolerance levels or where the need for remedial action is required in respect of identified weaknesses in the Firm's mitigating controls.

Specific risks applicable to the Firm come under the headings of business, operational, and credit risks.

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Business risk

The Firm's revenue is reliant on the existing research service agreements with ACLP and with Amber Capital Italia SGR Spa, which are both calculated using a cost plus method. As such, the risk posed to the Firm relates to the termination of these agreements by ACLP. This risk is mitigated by the Firm's US parent issuing a 12-month "Letter of Support" and significant levels of capital held by the Firm which will continue to cover all the expenses of the business in excess of 13-weeks and also sufficient in the worst case event of a wind down scenario.

Operational risk

The Firm places strong reliance on the operational procedures and controls that it has in place in order to mitigate risk and seeks to ensure that all personnel are aware of their responsibilities in this respect.

The Firm has identified a number of key operational risks to manage. These relate to key man issues, the risk of occurrence of trading errors, disaster recovery risks and the potential for serious regulatory breaches. Appropriate policies are in place to mitigate against these risks, which includes taking out adequate professional indemnity insurance.

The risk of loss of key trading personnel is mitigated by the fact that ACLP has the capability to trade on its own. Operational procedures exist to prevent and identify trade errors. The Firm has alternative arrangements in place should a disaster recovery event occur. These arrangements are tested on a regular basis in order to ensure that they would be effective should they be required to be invoked. The Firm's employees undergo periodic training to ensure that they understand their regulatory obligations.

Credit risk

The Firm is exposed to credit risk in respect of fees billed to ACLP, its rent deposit with its landlord and cash held on deposit.

Since the Firm has one main client, its total number of credit exposures is limited. Additionally, since the firm's main client is also its ultimate parent, the Firm considers that there is little risk of default by its client. The Firm's bank accounts are held with large international credit institutions.

Given the nature of the Firm's exposures, no specific policy for hedging and mitigating credit risk is in place. The Firm uses the simplified standardised approach detailed in BIPRU 3.5.5 of the FSA Handbook when calculating risk weighted exposures in respect of its debtors. This amounts to 8% of the total balance due. All bank balances are subject to a risk weighted exposure of 1.6% in accordance with BIPRU 3.4 of the FSA Handbook.

Consolidation

The Firm is a member of a group and prepares accounts on a fully consolidated basis for accounting purposes under UK GAAP. The accounts of the group and of the subsidiary companies are prepared on the going concern basis. Consolidated supervision reports prepared for the purpose of providing prudential returns to the FSA require each company in the group to assess the capital held and the capital required in accordance with the provisions set out in BIPRU 8 of the FSA Handbook. This requires all regulated firms within the group to maintain adequate capital resources so as to meet their capital requirements. Unregulated firms are not required to meet capital requirements on an individual basis provided there is adequate capital in the group as a whole.

The Firm is responsible for preparing consolidated accounts and ensures that sufficient capital is maintained on an entity by entity basis as well as on a consolidated basis.

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Capital adequacy

Capital resources

As at 31 December 2009, the Firm held regulatory capital resources of £2,683,148. This comprised solely of core Tier 1 capital.

Capital requirement

As at 31 December 2009, the Firm's Pillar 1 capital requirement was £292,914. This has been determined by reference to the Firm's Fixed Overheads Requirement ("FOR") and calculated in accordance with the FSA's General Prudential Sourcebook ("GENPRU") at GENPRU 2.1.53. The requirement is based on the FOR since at all times this exceeds the total of the credit and market risk capital requirements it faces and also exceeds its base capital requirement of €50,000.

The FOR is based on annual expenses net of variable costs deducted, which include discretionary bonuses paid to staff, exchange losses and certain one-off professional fees. The Firm monitors its expenditure on a monthly basis and takes into account any material fluctuations in order to determine whether the FOR remains appropriate to the size and nature of the business or whether any adjustment needs to be made intra-year. This is monitored by the Managing Member and reported to the Directors of ACUK Holdings on a quarterly basis.

Satisfaction of capital requirements

Since the Firm's ICAAP (Pillar 2) process has not identified capital to be held over and above the Pillar 1 requirement, the capital resources detailed above are considered adequate to continue to finance the Firm over the next year. No additional capital injections are considered necessary and the Firm expects to continue to be profitable.